MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2017/2018

BLE2114
LEGAL ENVIRONMENT IN INTERNATIONAL BUSINESS

(All sections / Groups)

16 OCTOBER 2017
9:00A.M. – 11:00A.M.
(2 Hours)

INSTRUCTIONS TO STUDENTS

1. This Question paper consists of **FOUR (4)** printed pages (including cover page) with four (4) Questions only.

2. Attempt **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. Please write all your answers in the Answer Booklet provided.

QUESTION 1 (25 Marks)

(a) The Court emphasize in the North Sea Continental Shelf case, for a new customary rule to be formed, not only must the acts concerned 'amount to a settled practice', but they must be accompanied by the *opinio juris sive necessitates*.

~Nicaragua case~

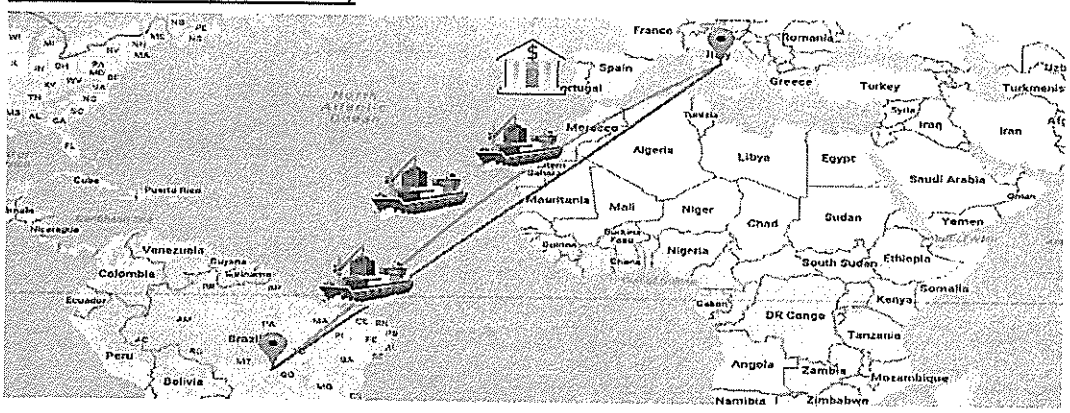
Based on the above quote, explain the two elements of International Customary Law which are *state practice* and *opinio juris*.

(13 marks)

(b) According to Article 38(1) of the International Court of Justice, there are four sources of International Law recognized by the International Court of Justice (ICJ). Explain all the sources.

(12 marks)

QUESTION 2 (25 Marks)



MFGM Co. Ltd. who is the largest cheese export company in Italy. The best blue cheese that the company export based on demand from other countries is gorgonzola cheese where the taste is so creamy and sweet. Recently, the company is facing some problems. Advise the company on the following matters: -

i. Issue regarding with the letter of credit which is used as a method of payment for a contract entered into between MFGM Co.Ltd and Blueberry Co. Ltd. who registered at Brazil for the sale of 1000 units of gorgonzola cheese at Euro €800. Payment was done by letter of credit, drawn on a Portugal Bank.

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The document required were the commercial invoice, insurance policy, a marine bill of lading and a certificate of quality issued by a company accredited by the Consortium for the Protection of Gorgonzola Cheese from Italian Association and Organization stating that the saturated fat 5g should be 25% and the vitamin C should be 20%. The France Bank acting as an advisor informs that the documentary credit has fallen through because the certificate of quality states that:-

Gorgonzola Cheese : Fat 5g = 12.5%
Vitamin C = 30%

Results : Not accurate to the quality satisfaction

The bank has rejected the letter of credit because the bank does not have knowledge about the quality of the cheese.

Advise Blueberry Co. Ltd.

(15 Marks)

ii. Issue related to the contract executed between MFGM Co. Ltd and Blueberry Co. Ltd. on the sale and purchase of the gorgonzola cheese. The quality of the gorgonzola cheese delivered to Blueberry Co. Ltd. does not meet quality requirements. Blueberry Co. Ltd. would like to terminate the contract. MFGM Co. Ltd. issued the case to the International Court of Justice that the contract cannot be terminated since it is against with the clauses of the agreement on remedies:-

"In the event of failure to oblige the rules, the injured party can claim any remedies from the party who cause the breach".

Advise MFGM Co. Ltd according to the Convention of Contract International Sales of Goods.

(10 Marks)

Continued .....

Question 3 (25 Marks)

(a) Seller in Singapore agreed to ship goods to Buyer in France under a Cost, Insurance and Freight (CIF) Singapore contract. After the goods were loaded aboard the ship, but before it departed from Singapore, Seller tendered the documents required by the contract to Buyer and asked for payment. Buyer refused to make any payment, asserting that it had a right to inspect the goods upon their arrival in France, and that it did not have to pay until they inspect the goods and satisfied that the goods were in compliance with the contract. Seller sues for immediate payment.

Advise the Seller.

(15 Marks)

(b) Explain the differences between Cost, Insurance and Freight (CIF) and Free on Board (FOB). Support your answer with relevant cases.

(10 marks)

Question 4 (25 Marks)

Explain FOUR (4) types of Dispute Settlement through diplomacy in international practice.

(25 marks)

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